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Count of pages 8

Recorded in Official Records

County of San Mateo

Warren Slocum

Assessor-County Clerk-Recorder



RECORDING REQUESTED BY:

WHEN RECORDED, MAIL TO:

Department of Toxic Substances Control

8800 Cal Center Drive

Sacramento, California 95826

Attention: Branch Chief

Standardized Permitting and Corrective Action Branch



**FIRST AMENDMENT TO
COVENANT TO RESTRICT USE OF PROPERTY**

ENVIRONMENTAL RESTRICTION

**450 East Grand Avenue
South San Francisco, California
Parcel Number 015-102-270**

The Department of Toxic Substances Control (the "Department") and Cherokee Grand Avenue, LLC entered into a Covenant and Agreement to restrict the use of certain property situated in South San Francisco, County of San Mateo, State of California (the "Property") as described in Exhibit A of the Covenant. The Covenant was duly recorded on December 11, 2000, Doc. No. 2000-156137 ("Covenant") as part of the remedy selected by the Department to protect present or future human health or safety or the environment as a result of the presence on the land of hazardous materials. The current owner of the Property, HCP SSF, LLC ("HCP") (formerly known as "Slough SSF, LLC"), has conducted additional investigation and remediation, under the Department's oversight, of a portion of the Property to be used as a childcare center in the northwestern area of the Property (hereinafter referred to as the "Childcare Center Area"). The Department has determined that the Childcare Center Area has been remediated to a level acceptable for use as a childcare center, and that the Childcare Center Area is no longer subject to the restrictions and requirements of Sections 4.01 through 4.04 of the Covenant. The Department and HCP hereby agree to amend the Covenant as follows:

1. Exhibit "A" is amended to read in its entirety as set forth in Exhibit A, "Legal Description of the Property," as attached to this First Amendment, reflecting a change in the legal description of the Property pursuant to a lot line adjustment as described in such Exhibit A attached hereto.

2. Exhibit C, "Legal Description of Childcare Center Area", and Exhibit D, "Map of Childcare Center Area", as attached to this First Amendment, are added to the Covenant.

3. Section 4 is added to Article IV of the Covenant, before Section 4.01, to state:

"4. The restrictions and requirements of Sections 4.01 through 4.04 do not apply to the Childcare Center Area as described and depicted in Exhibit C, "Legal Description of Childcare Center Area", and Exhibit D, "Map of Childcare Center Area".

4. Section 7.04 of the Covenant is amended to state:

"7.04. Notices. Whenever any person gives or serves any notice ("Notice" as used herein includes any demand or other communication with respect to this Covenant), each such Notice shall be in writing and shall be deemed effective: (a) when delivered, if personally delivered to the person being served or to an officer of a corporate party being served, or (b) three business days after deposit in the mail, if mailed by United States mail, postage paid, certified, return receipt requested:

To Owner: HCP, Inc.
3760 Kilroy Airport Way, Suite 300
Long Beach, CA 90806-2473
Attn: Legal Department

with a copy to: HCP SSF, LLC
c/o HCP Life Science Estates
400 Oyster Point Blvd., Suite 409
South San Francisco, CA 94080

To Department: Department of Toxic Substances Control
8800 Cal Center Drive
Sacramento, California 95826
Attention: Branch Chief
Standardized Permitting and
Corrective Action Branch

The Owner shall immediately forward any notice to the Occupant(s) if the Occupant(s) are affected by such notice. Any party may change its address or the individual to whose attention a notice is to be sent by giving written notice in compliance with this Section 7.04. Identification of the name and address of a new owner to the Department under Section 3.04 of this Covenant shall constitute a change of the Owner notice address under this Section 7.04, unless otherwise specified by written notice to the Department in compliance with this Section 7.04."

5. Section 7.06 is added to the Covenant to state:

“ 7.06 Costs of Administering this Covenant to be Paid by Owner. The Department has incurred and will in the future incur costs associated with the administration of this Covenant, including any inspection of the Property. Therefore, the Covenantor hereby covenants for itself and for all subsequent Owners that pursuant to California Code of Regulations, title 22, section 67391.1(h), the Owner agrees to pay the Department’s cost in administering, enforcing and implementing this Covenant. Failure of the Owner to pay such costs when billed is a breach of this Covenant and enforceable pursuant to section 5.01 of this Covenant.”

6. Section 7.07 is added to the Covenant to state:

“ 7.07 Inspection and Reporting Requirements. The Owner shall conduct an annual inspection of the Property and submit an annual report to the Department by January 15 of each calendar year. The annual report, filed under penalty of perjury by the then-current Owner, shall certify that the Property is being used in a manner consistent with this Covenant. The annual report shall describe how all the requirements outlined in this Covenant are being met. The annual report must include the dates, times, and names of those who conducted and reviewed the annual inspection. It also shall describe how the observations were performed and the basis for the statements and conclusions in the annual report (e.g., drive-by, walk-in, etc.). If violations of this Covenant are noted by the observer, the annual report must detail the steps taken to return to compliance. If the Owner identifies any violations of this Covenant during the annual inspections or at any other time, the Owner must within 10 days of identifying the violation, determine the identity of the party in violation, send a letter advising the party of the violation of this Covenant and demand that the violation cease immediately. Additionally, copies of any correspondence related to the enforcement of this Covenant shall be sent to the Department within 10 days of its original transmission.”

Except as amended by this First Amendment, the provisions, restrictions, and requirements of the Covenant shall remain in full force and effect.

[signature page follows]


IN WITNESS WHEREOF, the Parties execute this First Amendment to the Covenant.

"Covenantor"

Date: MARCH 25, 2008

HCP SSF, LLC (formerly known as Slough
SSF, LLC)


By: HCP Estates USA Inc., Its Manager

By: 
Jonathan M. Bergschneider
Senior Vice President

"Department"

Date: April 25, 2008

Department of Toxic Substances Control

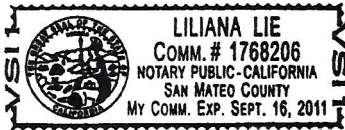
By: 
Mohinder Sandhu, P.E., Chief
Standardized Permitting and
Corrective Action Branch

STATE OF CALIFORNIA }
COUNTY OF San Mateo }

On March 25th, 2008, before me, Liliana Lie, a Notary Public, personally appeared Jonathan M Bergschneider, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS MY HAND AND OFFICIAL SEAL



A handwritten signature in blue ink, appearing to read "Liliana Lie".

Notary Public

STATE OF CALIFORNIA }
COUNTY OF Sacramento }

On April 25, 2008, before me, Kathleen C. Duncan, a Notary Public, personally appeared Mohinder Sandhu, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS MY HAND AND OFFICIAL SEAL



A handwritten signature in blue ink, appearing to read "Kathleen C. Duncan".

Notary Public

Exhibit A
Legal Description of the Property

Parcel A per Lot Line Adjustment No. 31 recorded August 26, 2005 as Document No. 2005-147597, San Mateo County Official Records:

Real property in the City of South San Francisco, County of San Mateo, State of California, a portion of the Lands of Glidden and the Lands of O'Brien as shown on the Map recorded in Volume 19 of Licensed Land Survey Maps at Page 78 in the records of said County, described as follows:

BEGINNING AT THE EASTERLY TERMINUS OF THE SOUTHERLY LINE OF EAST GRAND AVENUE AS SHOWN ON SAID MAP;
THENCE N 40° 51' 59" W FOR 23.20 FEET ALONG THE EASTERLY END OF EAST GRAND AVENUE TOWARD THE CENTER OF A CURVE TO THE LEFT WITH A RADIUS OF 50.00 FEET;
THENCE ALONG SAID CURVE AND AVENUE THROUGH A CENTRAL ANGLE OF 162° 6' 51" FOR AN ARC LENGTH OF 141.47 FEET;
THENCE LEAVING SAID AVENUE N 0° 14' 37" W FOR 398.48 FEET;
THENCE S 86° 44' 37" E FOR 1252.36 FEET;
THENCE S 3° 28' 53" W FOR 100.00 FEET;
THENCE S 3° 15' 23" W FOR 504.53 FEET;
THENCE N 76° 40' 44" W FOR 748.07 FEET;
THENCE N 89° 39' 58" W FOR 418.56 FEET TO THE POINT OF BEGINNING.

A.P. No. 015-102-270

Exhibit C
Legal Description of the Childcare Center Area

REAL PROPERTY IN THE CITY OF SOUTH SAN FRANCISCO, COUNTY OF SAN MATEO, STATE OF CALIFORNIA, A PORTION OF THE LANDS OF O'BRIEN DESCRIBED AS PARCEL B IN DOCUMENT 96035012 AND AS SHOWN ON THE RECORD OF SURVEY OF THE LANDS OF GLIDDEN RECORDED IN VOLUME 19 OF L.L.S. MAPS AT PAGE 78 IN THE RECORDS OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID LANDS; THENCE S 71° 06' 49" E FOR 135.83 FEET TO THE TRUE POINT OF BEGINNING;

1) THENCE S 71° 02' 30" E FOR 30.96 FEET;

2) THENCE S 82° 59' 51" E FOR 43.76 FEET;

3) THENCE S 03° 48' 30" W FOR 127.82 FEET TO THE BEGINNING POINT OF A CURVE TO THE LEFT HAVING A RADIUS OF 240.50 FEET AND A CENTRAL ANGLE OF 32° 10' 46" FROM WHICH THE RADIUS POINT BEARS S 16° 32' 08" E;

4) THENCE LEFT ALONG SAID CURVE FOR AN ARC LENGTH OF 135.07 FEET;

5) THENCE N 52° 01' 55" W FOR 15.73 FEET;

6) THENCE N 00° 39' E FOR 30.41 FEET;

7) THENCE N 09° 30' 45" E FOR 16.50 FEET;

8) THENCE N 02° 17' 20" E FOR 25.25 FEET;

9) THENCE N 10° 25' 10" E FOR 26.11 FEET;

10) THENCE N 24° 59' 57" E FOR 27.33 FEET;

11) THENCE N 24° 39' 32" E FOR 53.28 FEET;

12) THENCE N 12° 58' 31" E FOR 17.66 FEET;

13) THENCE N 39° 03' 13" E FOR 22.06 FEET TO THE TRUE POINT OF BEGINNING,

THE AREA BEING 0.41 ACRES MORE OR LESS.

Exhibit D
Map of Childcare Center Area

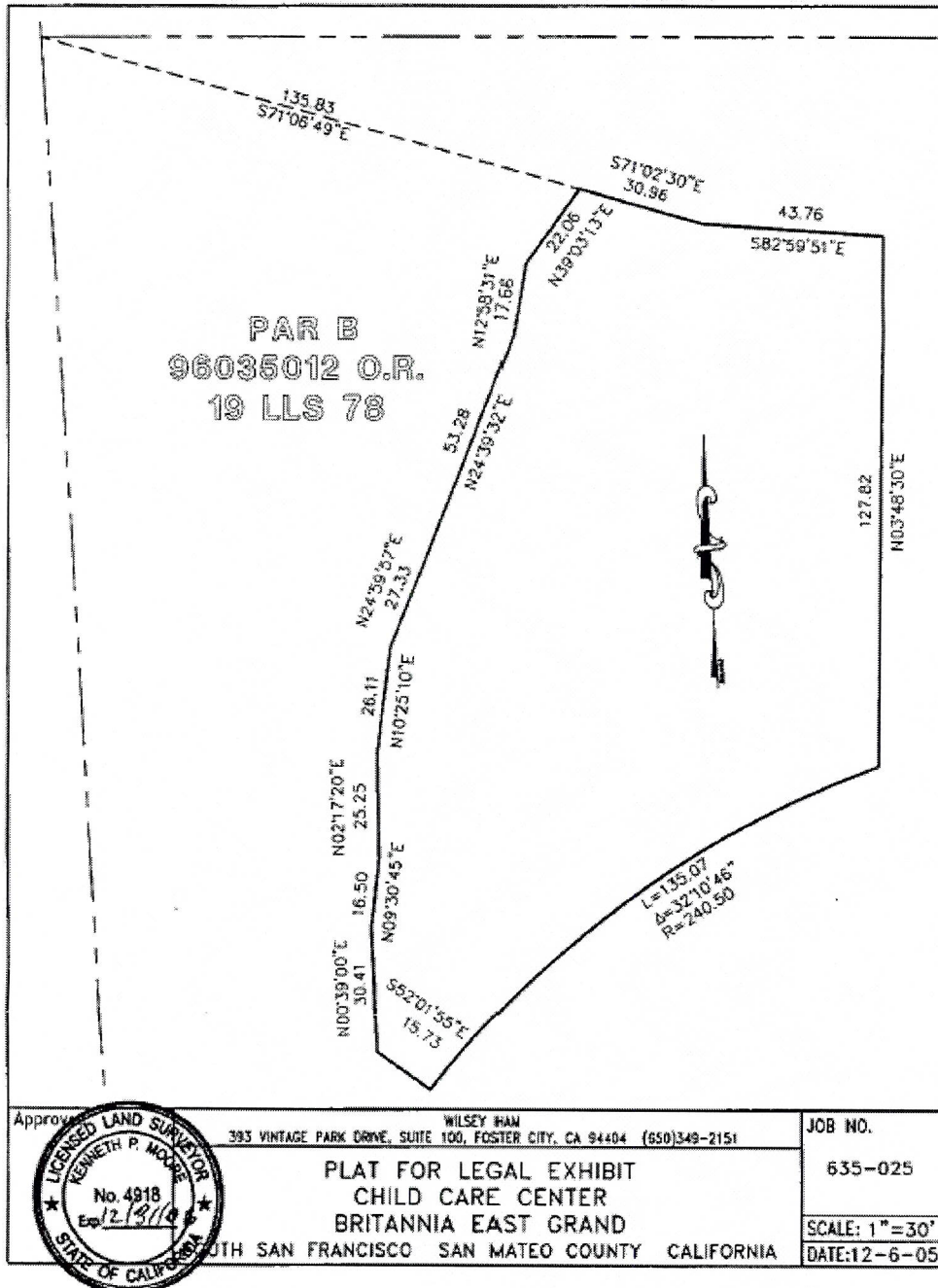


Exhibit D to First Amendment